MBS & TREASURY MARKETS

Daily Coverage. Industry Leading Perspective.

MBS Recap: Another "Just Because" Sell Off



Dale R. Packer, MBA Owner/Broker, Great American Lending LLC

GreatAmericanLending.us M: (801) 391-6566 dale@greatamericanlending.us

875 S 600 W Heber City Utah 84032 MLO-4493 Company-201546



Another "Just Because" Sell Off

MBS Recap Matthew Graham | 5:07 PM

This is getting old... and unfortunately, more prevalent. The bond market has been offering up more and more examples of reasonably brisk changes in yields without any obvious catalysts. This forces market watchers to concoct narratives to fit the price action (i.e. to say things that wouldn't be said if the mystery move was a rally). In other words, guesses and generalizations are the name of the game. What we do know is that a broad rotation out of bonds and into stocks is underway, even if stocks weren't a good example of that today. We know there were some headlines regarding potential Korea/Japan trade deals in the works. And we know the bond market isn't thrilled with the potential Treasury issuance implications associated with congressional budget headlines. All that having been said, the reality is probably significantly more complicated and boring than this small collection of usual suspects.

				an Is best de la tradecisión de la companya de la comp						
			MMBS	SLIVE	101				G.CM SC	
INC PROP	6	0.0	BEAL THE CHART MANE	0.0	REAL THE ON	NT (10)			10000	MES LIVE OWN
15.VR			STREEMALS *	PROF 1993 Line mile 198,75 198,77 198,75 198,84	10 Year Treasury *		LANS LANS LINE MORE LANS		10203 111es	
	Prot	No Change	106.75 (0.00)	Cover ortices + DOACT COVER +	1.8270 (-				CALLER COTTONS IN 1	GerOutine
Not 10 Year / Fee		June Care M THE THE THE THE THE THE THE		Inter Chart 1	-	They all placed much lower 1				
					Tanan Okart 1			1000		
										And Parks, July 1.1 (1)
	10675-680					1		18 Feat Seaso		Con state Danke Lines
6a 30 Tax			1.1.1	10.00		2.	- A-5-	1007/16123		The set of
18	10.00		11.485		1.0.0		8	Open: 1,2434		And And Parks All Lines
	10144-010		and the second second	THE REPORT OF A	100	100		High: 1.7423	100	28. Fines studie playing a rule for
4.0			01 000.0	The second second				Open 1 7944		Detter Derbit, 1 11 an
No. of Conc.						_				
				and the second se				1	1	Christopher Erreses: +
	NO488 1175							- Date:		AND A RELEASE FILE



Watch the Video

MBS Morning
11:13 AM Where is The Next Move Coming From?
Alert
11:22 AM Down More Than an Eighth
Alert
1:01 PM Negative Reprice Risk Increasing
Alert
3:11 PM One More Alert For The Day
4:40 PM

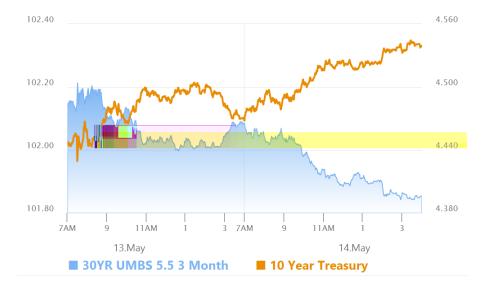
Market Movement Recap

- 10:06 AM Modestly weaker overnight and a bit weaker so far. MBS down almost an eighth and 10yr up 2bps at 4.49
- 12:29 PM More weakness. MBS down just over a quarter point and 10yr up 5bps at 4.519
- 02:26 PM Flat at weakest levels. MBS down 9 ticks (.28) and 10yr up 5.3bps at 4.522
- 03:11 PM Weaker at the 3pm CME close. MBS down 11 ticks (.34) and 10yr up 6.5bps at 4.534

Lock / Float Considerations

Bonds/rates find themselves in the unpleasant position of not knowing where their next big impetus for improvement will come from. While it's true that rates can fall despite an obvious catalyst, this is nonetheless not a float-friendly environment. The only foreseeable exceptions would be for seriously weak economic data and another big dip in stocks.

- Ceiling/Support (can be used as "lock triggers")
 - **4.64**
 - **4.48**
- Floor/Resistance
 - **3.99**
 - ° 4.05
 - ° 4.12
 - **4.19**
 - **4.34**
 - ° **4.40**



MBS & Treasury Markets

MBS

30YR UMBS 5.5 30YR UMBS 6.0 30YR GNMA 5.5 15YR UMBS-15 5.0

US Treasuries						
10 YR	4.534%	+0.065%				
2 YR	4.053%	+0.047%				
30 YR	4.973%	+0.067%				
5 YR	4.163%	+0.066%				

Open Dashboard

Share This